

SUSTAINABILITY: Sharing Best Practices

Issue 1, 3rd June 2013



Welcome to the first edition of the Sustainability: Sharing Best Practices Newsletter for IPS EA!

The aim of this newsletter is to enhance the understanding of the concept of Sustainability and what it entails, as well as act as a vehicle to share knowledge, experiences and best practices for others to learn.

Various companies' practices and activities are showcased, particularly, distilling the lessons learnt and the keys to success in the form of straightforward actionable advice for others to undertake similar initiatives.

Under the context of Sustainability (or integrated CSR), the newsletter draws best practices from both compliance related activities (i.e. activities that need to be undertaken in order to meet mandatory standards and regulations) and 'beyond compliance' activities (i.e. activities that are voluntarily undertaken and go beyond what is legally required).

The layout of newsletter is based on the IBLF Sphere of Influence model, which encapsulates the concept of Sustainability and the holistic approach to enhancing a company's social, environmental and economic responsibility. Subsequent sections will highlight various companies' best practices relating to: the Workplace (i.e. focus on employees), the Environment, the Supply Chain & Marketplace, the Community and, finally, the Enabling Environment.

Read this newsletter with an open mind to reflect and analyse current practices and identify ways to continuously improve!

Reminder: *Working Definition of Sustainability*

"Sustainability involves managing the organization's social, environmental and economic impact (on its stakeholders) as an integral part of its core business function, whilst operating ethically and contributing to sustainable development."



We Have Got The Ball Rolling!

Leadership and management are paramount for the Sustainability agenda to be successful! Most of the group companies now have sustainability policies in place and committees (or particular department heads) as drivers of this agenda, with senior management on board.



However, the strategic planning of activities remains an area of improvement; therefore, create work plans that have: targets, timelines and allocate resources (financial and human) for effective implementation. It is important to meet as a team and use these plans to monitor and evaluate your progress on a regular basis.

When brainstorming on what initiatives to undertake focus on the holistic approach to sustainability and identify what your various stakeholders' needs are and how you can address them using a win-win approach.

As IPS Group companies, we strive to use compliance aspects as a minimum standard and go a step further. For instance: how do you enhance the health, safety and wellbeing of your employees beyond OSHA requirements? How do you reduce effluent discharge beyond the mandatory NEMA threshold? How can you save costs by enhancing efficiencies and reuse of materials?

When planning activities, determine how you can go that extra mile to enhance your social, environmental and economic impact!

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Sphere of Influence Model



Workplace - Employees



Health and Safety: Use of Personal Protective Equipment (PPEs)

Farmers Choice Ltd. places great emphasis on ensuring that their employees are safe and work in a safe environment. The Company has put in measures to eliminate hazards at the workplace, including engineering control, work practice and administrative controls. In this regard, the Company has not only provided the required PPEs but has also ensured that the technical know-how on the need and use of PPEs is disseminated to all staff. This was in recognition that most injuries can be prevented if operators wear the right protective clothing (particularly, protective aprons and gloves) and are trained in the correct use of relevant PPE.

The provision of the necessary PPE is tagged to the hazard exposure within the workplace. Some of the available PPEs include: Goggles, Safety glasses, Helmets, Safety shoes and Self Contained Breathing Apparatus (SCBA). Enforcement of PPE use has improved safety standards at the workplace tremendously. The use of chain gloves in the Butchery, for instance, considerably reduces the incidents of cuts from knives in this section; these gloves are imported at a high cost to the Company. Similarly, SCBA has improved paint spraying work at the company garage and the screens used to ensure isolation of this spraying work has also improved workers safety.

Leadership, trust and support from Management have been the key pillars in developing this safety culture. Purchasing PPEs does incur some initial costs but the tangible (and intangible) benefits that result from availing this equipment far outweigh these costs.

Workplace Wellness Programme

Due to high external pressure resulting from the emergency status attached to HIV, many companies developed workplace HIV/AIDS programmes in countries where there was an epidemic. Over the years, as the prevalence of other communicable and non-communicable diseases (e.g. cancer, diabetes, etc) continues to increase, these programmes are evolving into Comprehensive Workplace Wellness Programmes. These programmes aim to address employees' physical health as well as their financial and psychosocial wellbeing.

Leather Industries of Kenya (LIK) is one such Company that has successfully adopted this move. LIK currently has a structured programme driven by a core team of trained wellness champions. The programme is tailored to address the employees' needs and resources available. It involves local Civil Society Organisations and ensures connections with local government institutions especially for referral purposes.

Some activities undertaken include:

- Health trainings for peer educators.
- Health education sessions conducted by peer educators or external facilitators for all staff.
- Financial literacy training for all staff.
- Regular VCT services, distribution of condoms and commemoration of World AIDS Day.
- Participating in the AKDN wellness champions' trainings and sharing best practice meetings.

As a result of the programme, workplace productivity and employee morale has increased; stigma and discrimination against various illnesses has reduced and employees recognise the availability of support at the workplace.



Peer Educator Training at LIK



Caring for our young as We Work

Amid the increasing need for women to gain employment to supplement household income, the rise in mono-parental families as well as the limited availability of family members (like grandparents) to care for children, the need for good quality child care is on the rise.

Recognising this need amongst its large female workforce, Frigoken Ltd. provides a Crèche facility for its employees' children. The facility maintains a safe, healthy, hygienic and caring environment for children aged 3 years and below.

Apart from the benefit to the parents, provision of quality care during the early years has been proven to significantly influence the holistic development of a child. Neglect and poor care in these years can have long lasting negative effects on a child's development.

Therefore, to promote the social, emotional, cognitive and physical development of children, FKL goes one step further. It ensures that: its staffs are competent and experienced in early childhood development; learning material and infrastructure are sufficient to enhance stimulation; well balanced and nutritious meals are provided; mothers are able to regularly breast feed their children; parental education classes are conducted; and basic health care monitoring is performed on all children.

As a result of establishing this facility, the Company has benefitted from:

- Reduced absenteeism, particularly, attributed to having to stay home to care for children due to unavailability of the temporary caregiver.
- Greater productivity and efficiency as parents are able to concentrate on work knowing their children are safe and well cared for.
- Enhanced commitment and loyalty; thus a lower turnover of employees.



Kamyn Industries Ltd. Kitchen Garden

Gaining Value from Underutilised Resources

Kamyn Industries Ltd., manufacturer of socks and hosiery, is situated in the vicinity of the serene seaport of Mombasa. Behind the manufacturing facility was a tract of land that was underutilised and often prone to idlers - posing a security risk to the Company.

Considering the availability of space, fertile land and water (-as a borehole was already in use by the manufacturing plant-), the Company commenced a *Kitchen Garden* project in 2011. To date, a variety of fruits and vegetables (such as: sugarcane, cassava, pawpaw, watermelons and passion fruit) are grown and distributed for free to employees. This initiative has significantly benefited the staff of Kamyn, as it acts as a motivational tool, lessening their burden of buying these products.



This is an innovative project that was able to effectively utilise existing resources without increasing costs. While at Kamyn the company gardener maintains the garden, staff can also directly volunteer their time to participate in the project. The produce can be given to employees, used in company canteens or donated to charities. Further value can be added by teaching sustainable growing practices, which are transferable and useful in employees' farms.

Environment

Recalling IPS's working definition of Sustainability, the integration of social, economic and environmental concerns into core business strategy and operations is key to business success and sustainable development. Here are some examples of companies that have undertaken initiatives to embed environmental concerns as part of the company's operations, allowing them to significantly reduce operating costs, enhance their social license to operate and promote a cleaner environment.

Waste Water Management

Leather tanning, a process of converting raw skins and hides into leather, is often known for its foul odour and effluents. The industries' wastewater contains large quantities of organic and inorganic compounds; including toxic substances such as chromium salts. If effluents are discharged into natural water bodies (directly or indirectly) without appropriate treatment, contamination of the receiving water body can negatively impact aquatic organisms and when used for irrigation purposes can lead to wide spread contamination in the food chain, affecting the soils, crops, livestock, etc.

To enhance the sustainable management of this industry, Leather Industries Uganda (LIU) located in Jinja, a town at the source of the White Nile, has adopted environmentally friendly technologies, such as a chromium recovery and recycling plant. After use, chrome from the factory is pumped to a reactor and precipitated using magnesium oxide. After eight hours the chrome is discharged into a regeneration tank, recovered and pumped back to the factory for re-use.

LIU, also, filters its (chrome free) waste separating the solid residues (small pieces of hides and skins) from the waste water. Waste water flows through sedimentation ponds where it is mixed with lime to solidify and dry. The dried lime sludge is later used as manure. The solid residues (including leather cuttings, trimmings and gross shavings) are stored in wide concrete drying beds, where saw dust is added to reduce the smell and hasten the drying process. The remaining solid residues are burnt to ash at the onsite incinerator to ensure no effluent is released into the water ways.

In addition to these technologies, LIU has planted over 5,000 trees in open spaces by Lake Victoria and has invested in efforts to improve the quality of raw material supplied to the industry. The Company has supported the Uganda Leather and Allied Industries Association to train flayers as well as provide them with appropriate flaying knives.

Whilst these initiatives required additional funding, they have resulted in multiple benefits including: minimal smell, significant reduction in effluents and cost savings. Approximately, USD 50,000 was used to set up LIU's chrome recovery & recycling plant - an investment the Company recouped in one year.

As a best practice in the region, LIU has been visited by senior faculty from Makerere University and officials from the Uganda Cleaner Production Center. Recently LIU was recognized nationally, featuring in the New Vision Newspaper (03/05/13) and is considered a 'friend to Uganda's Wetlands and Lake Victoria'. The link to the article is: <http://www.newvision.co.ug/news/642302-jinja-tannery-makes-difference-in-recycling-waste.html>



LIU's Chrome Recovery and Recycling Plant

Using Waste to Supply Energy Needs

Farmers Choice Ltd. (FCL) is known for its extensive range of delicious fresh and processed high quality meat products sold locally and internationally. Apart from being the leader in the meat processing industry regionally, FCL takes pride in its environmental stewardship.

At its halal certified beef slaughter/ processing facility (Choice Meats), FCL management has invested in a biogas unit – a unit that converts waste to fuel energy for the boiler.

Approximately 2tonnes of waste (including animal by-products that cannot be further utilized) generated at the slaughter house is recovered, mixed with water from aerobic ponds to form slurry and sent to a 400m³ digester. Through an anaerobic process, biogas is generated, which is used as a supplement to furnace oil to run the boiler, and further biogas from a clarigester is used in the kitchens for cooking purposes.

Benefits of this 'green' project include:

- Production of a more sustainable fuel (Biogas) used to partially run the boiler and replace cooking gas hence reducing spending on HFO.
- Enhancement of proper, clean and safe slaughterhouse waste management.
- Better air quality by removal of stench from air thereby improving workers' health and safety and enhancing the Company's social license to operate.
- Reduction of GHG emissions by reducing methane emissions from animal waste.



Choice Meats Ltd's Biogas Unit

Safeguarding our Discharges

Premier Food Industries Limited (PFIL) processes a wide range of products namely, sauces, fruit based drinks, jams, substitute vinegar, honey, fruit juices, syrups and canned vegetables. These products greatly vary in levels of the suspended matter, colour, acidity, temperature, and other parameters. These need to be standardized to ensure compliance with the legal and environmental requirements.

This necessitated the establishment of an Effluent Treatment Plant (ETP), which comprises of a set of lagoons or treatment steps. Raw water with complex parameters is filtered, neutralized, suspended matter removed, disinfected, bleached and finely filtered to produce waste water with acceptable parameters for discharge to the municipal sewer.

As a result of this initiative, the Company is able to comply with legal requirements hence avoiding hefty penalties that may be incurred.

The company plans to explore the possibility of recycling the treated water for use in water closets. This will lead to potential savings in the water costs incurred.



PFIL's Effluent Treatment Plant



Manu Jayanarayan, CEO of KLL, planting a tree at the company premises.



FKL staff's team effort at Rukenya Dam

Towards Enhanced Green Cover and Conservation

Tree planting is an activity aimed at enhancing green cover and environmental conservation efforts as well as providing an opportunity for staff enlightenment and participation, thereby boosting morale.

Two approaches are commonly used:

- *Onsite* – employees have taken to greening their own workplaces, planting trees within the factory compound. Recent events have taken place at Kenya Litho Ltd. and Farmers Choice Ltd.'s farm (Rosemark) in Limuru.
- *Offsite*: - the most recent event was conducted at Rukenya Dam, Kirinyaga County. It was organised by Frigoken Limited (FKL) as part of their efforts to conserve water towers that are a key source of water for irrigation for the out grower communities. Premier Food Industries Ltd (PFIL) and Wire Products Ltd. (WPL) also participated. Wearing brightly coloured company branded t-shirts and displaying a positive attitude to conserve the environment, the team of approximately 80 staff from all three companies planted 2,000 tree seedlings of the total 10,000 tree seedlings planted on the site.



PFIL staff at Rukenya Dam



Remember, planting the tree is the easy part. We need to make sure that these trees grow! Therefore, when conducting these activities at community level, ensure that the county government officials and the local community are fully engaged from the beginning of the project and take ownership and control of this activity. They will ensure the survival of these seedlings.

In addition, since purchasing seedlings can be quite costly, consider other avenues such as: establishing an in house tree nursery or sponsor existing local tree nursery entrepreneurs (or community groups) with inputs thereby also promoting economic empowerment for the beneficiaries.



Rosemark's GM, Sharon Tsigadi, planting a tree.



WPL, PFIL & FKL staff partner to plant trees at Rukenya Dam



Rosemark's GM provides a brief overview on the importance of tree planting

Market Place & Supply Chain

Ethical Supply Chains

'Sedex is a not for profit membership organisation dedicated to driving improvements in ethical and responsible business practices in global supply chains.'

Sedex is the largest, secure online database that provides an avenue for members to store, share and report on ethical supply chain data in an open and transparent manner. The data is based on information on 4 key areas: Labour Standards; Health & Safety; Environment; and Business Practices. However, it not a standard setting body, code of conduct or certification.

Sedex currently has over 23,000 members, in over 150 countries worldwide; Allpack Industries Ltd. is one of these members! Allpack's decision to join Sedex has seen the Company benefit in the following ways:

- Opportunities for new business: – Being a member, Allpack qualifies to be a potential supplier for other SEDEX member organizations; therefore providing the Company with a competitive edge over non-members.
- Provision of an efficient and cost effective way to communicate to all members at one go, as the audit is only conducted once and the report is accessible by all. This avoids the burden of multiple audits, questionnaires, etc.
- An avenue for continuous improvement: –through the process of auditing and reporting as well as the opportunity to access other members information, the Company has learnt various best practices for continuous improvement of internal systems. In doing so, it assists the company: identify and reduce risk; protects the company's reputation and improves supply chain practices.

Community

Taking Up Our Place in Our Communities

International Women's Day is observed every year on the 8th of March to remember the struggle of women throughout the world. In Uganda, this day is a public holiday with a series of commemorative events taking place across the country.

Kampala Pharmaceutical Industries Ltd. (KPI) joined in these celebrations. Despite being a day where people can take advantage of staying in or lazing around the house, a group of employees from KPI chose to commemorate the day by organising and participating in a Cleanup activity at Naguru Hospital, focusing primarily on the Maternity and Children's wards.

To organize this event, initial meetings were held with the management team of the hospital to introduce KPI as key pharmaceutical player within the country. Employees thereafter volunteered their time and effort.

Apart from a clean hospital environment, the beneficiaries were also given free basic items, including soap, sugar and babies clothes.

The Company was able to use this as an opportunity: to create awareness about its business and products to potential customers; demonstrate its commitment to quality healthcare and the wellbeing of the community as well as strengthen team work and employee motivation. This activity contributes towards enhancing KPI's social license to operate.



Female KPI staff at the Clean up activity



Engaging Stakeholders Particularly the Local Community

Bujagali Energy Limited (BEL), in October 2012, commissioned the 250MW Bujagali Hydropower Plant on the Victoria Nile in Jinja that supplies approximately 50% of the Uganda's electricity needs.

Due to the nature of this project, a Social and Environmental Assessment (SEA) was conducted initially to ensure that the project was designed and developed in a manner that reduced the project's negative social and environmental effects and maximized project benefits. The assessment, and subsequent design of the Resettlement and Community Development Action Plan, heavily relied on an extensive and continuous consultation process with key stakeholders (including: government agencies, community leaders, affected villages, civil society organizations amongst others).

Early stakeholder engagement allowed for:

- An opportunity to create awareness about the project, facilitate buy-in and support for the project there by building strong relationships based on trust, mutual respect and understanding;
- Early interactions that assisted in predicting potential challenges and risks, as well as generating ideas on the project design;
- Development of a relationship that would be of benefit during challenging times i.e. if a conflict or crisis arose and an established relationship was absent, it could put the project at an immediate disadvantage when trying to manage the situation.



BEL assisted in establishing health facilities within the local community.

This important process has enabled the Company engage in a multitude of successful long term activities addressing the local communities' needs in the areas of health, economic empowerment, education, agriculture and environment.



When embarking on community initiatives first identify the key stakeholders and the relevant strategies for engagement. Remember, when gauging (external) stakeholder concerns a good avenue to seek feedback and communicate messages is through the workforce as a considerable proportion is often from these communities. Moreover, representatives from the staff can be 'champions' in building relationships with the local communities. Regular engagement with local communities can improve the Company's understanding and appreciation of the communities' needs and expectations facilitating proactive management of any opportunities, issues and risks that may arise.

Enabling Environment

Towards a Better Society

The local media engaged Kampala Pharmaceutical Industries Ltd. (KPI)'s CEO, Mr. Nazeem Mohamed, to provide: an overview of the Company's workforce and motivation, key features to its success and the industry's challenges. Notably, Mr. Mohamed took this opportunity to also advise the institutions of higher learning to teach more practical knowledge and skills to their graduates.

The problem that Mr. Mohamed addresses is echoed by many of the companies in the group. The common complaint is that the transition from education to work for young graduates is time consuming and expensive requiring extensive inductions and on-job training. Companies want employees who can 'hit the ground running'.

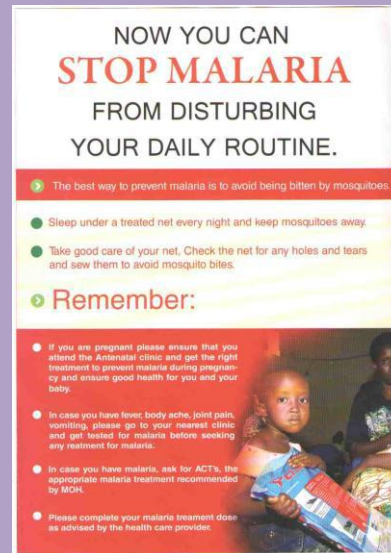
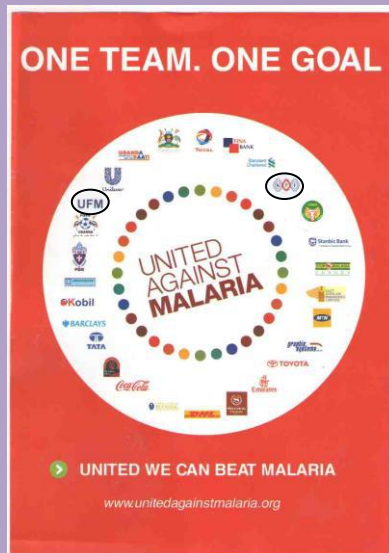
But who better than a potential employer to inform young graduates on how to be better equipped for the job market. Engaging the media is one example to stimulate discussion and provide guidance. Other avenues may be through: engaging directly with local higher learning institutions as well as promoting opportunities for students to access work-based learning by offering internships, attachments/ traineeships, etc – this enables young people to gain work experience which employers keenly seek out during the recruitment process.

Recognising that the future success of companies depends on young people, identify ways to facilitate more practically skilled future employees.

Part of a Bigger Cause

KPI & Uganda Fishnet Manufacturers (UFM) are amongst over 200 partners of a global campaign known as 'United Against Malaria'. The campaign aims to source for resources (times, funds, skills and experience) from partners in order to reach the common goal to end malaria death by 2015 (- a component of the Millennium Development Goal number 6). The financing sought from these companies is used to support various organizations in implementing malaria prevention projects in the continent.

This sort of a global campaign involves a multi stakeholder and multi-sectoral approach in creating an enabling environment for change to be possible. Public awareness campaigns, such as these below, enhance knowledge, attitudes and behavior for effective Malaria prevention and treatment.



Feedback



So what do you think about the newsletter? Was the content beneficial? Do you have any suggestions for improvements and content for future issues?

Kindly provide feedback by sending an email to:

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